

**THE BOMBAY UNCOVENANTED
SERVICE FAMILY PENSION FUND.**

1. No increase of the rates of subscriptions and no decrease of benefits should be adopted by the Managers of the Fund without the previous sanction of the Government of India. (G. I. F. D., No. 2617, dated 16th August 1877; *vide* G. R. No. 3893, dated 10th September 1877.)

2. While it is necessary that the Government of India should be made acquainted with any proposed alterations in the Regulations in order to ascertain whether such alterations would have the effect of increasing the amount of capital on which interest is allowed by the Government, the sole responsibility for the management and solvency of the Fund rests with the subscribers, and Her Majesty's Government will abstain from interference with the Regulations and management of the institution. (S. of S. No. 387 (Finl.), dated 14th November 1878; *vide* G. R. No. 548, dated 14th February 1879.)

3. Government have no intention of interfering with the management of the Fund beyond seeing that the basis on which a privileged rate of interest is granted is adhered to, but for this purpose it is necessary, as decided by the Secretary of State in his Despatch No. 387, dated 14th November 1878, that all alterations in the rules should be reported to Government, who will be guided in their approval or disapproval of them solely by a consideration of the principle above stated. (G. R. No. 4118, dated 5th November 1881.)

4. The position of the Government with reference to the Fund is confined to seeing that it is managed with sufficient attention to actuarial principles and actuarial advice to warrant the Government in recognising it so far as to aid it by the grant of privileged interest and in other ways, and they cannot interfere in disputes between different sections of the subscribers to the Fund as to the comparative distribution of benefits. (G. I., F. & C., No. 75-P., dated 8th January 1897; *vide* G. R. No. 335, dated 25th idem.)

5. The orders contained in the following letter of the Government of India in the Department of Finance and Commerce, No. 2694, dated 9th September 1879, to the Directors of the Bengal Uncovenanted Service Family Pension Fund apply also to the Bombay Uncovenanted Service Family Pension Fund:—

"I am directed to acknowledge the receipt of your letter No. 5603, dated 2nd November 1878, regarding the admission, as subscribers to the Uncovenanted Service Family Pension Fund, of persons who were not eligible for such admission.

"2. The Fund was instituted for the benefit of Uncovenanted Public Servants only; but, in the absence of a precise definition of the phrase 'Uncovenanted Officers,' you have allowed persons who are in any proper sense

[THE BOM. U. S. FAMILY PENSION FUND.]

public servants, and others who have quitted the public service, otherwise than on retirement, to subscribe to the Fund.

"3. Your action has imposed upon the State an outlay of privileged interest for purposes not contemplated in the original concession, and for which the appropriation of public money is not justifiable, and the Governor General in Council cannot acquit you from responsibility for having taken the course which has led to this objectionable result, without first obtaining his specific sanction. His Excellency in Council will not, however, now demand a refund of any of the privileged interest which you have erroneously drawn, or even cease to allow privileged interest on the assets necessary to cover the liabilities of the Fund for any existing subscribers.

"4. But, in order to prevent the recurrence of such irregularities, His Excellency the Governor-General in Council has determined that, in future, privileged interest shall not be allowed upon assets to cover the liabilities of the Fund for any person whose admission has not been authorized by the Comptroller General, and it will be the duty of that officer to refuse to authorize the admission of any person who is not an 'Uncovenanted Officer,' as defined in the Civil Pension Code, whose service qualifies for pension from the General Revenues.

"5. His Excellency in Council has further determined that if any future subscriber leaves the public service, otherwise than under the Rules of the Civil Pension Code, on pension or gratuity, he must pay to the State such additional subscriptions as the Government may consider necessary to cover the cost to the State of privileged interest upon the assets which must be maintained in the Fund to cover the subsequently accruing liabilities on his account. This additional subscription is fixed, for the present, at one-fourth of the rate which the subscriber would pay if he had not left the public service: Unless the Directors will undertake to recover such additional subscriptions, and deduct their amount from their claim for interest on the Public Treasury, the Government must decline to allow privileged interest on the assets required to cover the liabilities for persons who have thus left the public service.

"6. I am to take this opportunity of saying that if the Directors think proper to admit persons not in the public service to become subscribers to the Fund, the Government will, till further notice, grant simple interest at 4 per cent. on the assets deposited in the Public Treasury necessary to cover the liabilities of the Fund on account of such non-official subscribers."

(G. I. F. & C., No. 2694, dated 9th September 1879; *vide* G. R. No. 3289, dated 25th *idem*.)

6. Members of Imperial Departments under the Government of India, whose employment is not restricted to any particular Presidency, but who are liable to serve in any part of India, are eligible for admission to the Bengal Uncovenanted Service Family Pension Fund, and there is no objection to members of such establishments being eligible for admission to the Bombay Fund also, but no officer should be entitled by subscribing to both the Bengal and Bombay Funds to acquire the maximum benefits twice over. No officer who is actually subscribing to the Bengal Uncovenanted Service Family Pension Fund can be admitted as a sub-

THE BOM. U. S. FAMILY PENSION FUND.]

scriber to the Bombay Fund and *vice versa*. (G. I. F. & C., Nos. 3981, dated 4th November 1881, 2038, dated 19th December 1881, and 4618, dated 25th September 1890; *vide* G. Rs. Nos. 4256, dated 15th November 1881, 48, dated 5th January 1882, and 3455, dated 15th October 1890.)

7. The Bombay Uncovenanted Service Family Pension Fund is not intended for Warrant Officers. (G. I., F. & C., Nos. 3408, dated 29th December 1882, and P.-2726, dated 30th June 1893; *vide* G. Rs. Nos. 245, dated 20th January 1883, and 2469, dated 14th July 1893.)

8. The Government of India are not disposed to reconsider the rule which prohibits the admission of non-pensionable servants to the Uncovenanted Service Family Pension Funds. (G. I., P. W. D., No. 2234G., dated 28th August 1893; *vide* G. R., P. W. D., Railway, No. 1902, dated 13th September 1893.)

9. The Directors of the Bombay Uncovenanted Service Family Pension Fund should forward copies of the annual report of the Fund regularly to the Accountant General, Bombay. They should send with the reports a corrected copy of the rules, drawing attention to all changes made since the submission of the last previous report. The Accountant General should carefully review these reports in the interests of the public revenue and forward copies with his review to the Comptroller General, who, after careful consideration of these reports and of the Accountant General's review, will submit them to the Government of India with any remarks that he may have to make. (G. I., F. & C., Nos. 169, dated 21st April 1880, and 1519, dated 31st March 1890; *vide* G. Rs. Nos. 1516, dated 1st May 1880, and 1335, dated 19th April 1890.)

10. The Chairman of the Managing Committee of the Bombay Uncovenanted Service Family Pension Fund should forward two copies of the Rules of the Fund in force with the annual reports, to the Accountant General, who will forward the copies to the Comptroller General for transmission to the India Office through the Government of India. (G. R. No. 4518, dated 29th October 1897.)

(*Note.*—Under instructions conveyed in the Comptroller General's letter to the Accountant General, No. 2019, dated 7th January 1898, four copies of the Rules and Reports are supplied by the latter to the former officer in addition to the two copies supplied to him direct by the Fund Office.)

11. The orders of the Government of India regarding the payment of subscription by deduction from allowances of subscribers admitted to the Bombay Uncovenanted Service Family Pension Fund, after the 9th September 1879, are applicable to pensioners also.

When subscribers leave the service of Government, otherwise than on pension, the rule of deducting subscription from allowances cannot be enforced, and it would, therefore, follow that in such cases both the ordinary and additional 25 per cent. subscription should be recovered in cash.

[THE BOM. U. S. FAMILY PENSION FUND.]

Rule 37 of the Fund requires that a person, on admission, shall pay a month's subscription in advance within 14 days from the date of the letter admitting him. If a person is admitted after the pay abstracts of the office in which he may be employed are closed, the subscription may be paid in cash. Members absent on leave may also make the payment in cash.

Rule 59 requires full 12 months' subscription to be paid up, either monthly, or in advance, to entitle a subscriber's widow to the pension subscribed for. To prevent risk, subscribers generally pay on admission 12 months' subscription in advance. A person whose month's salary will not cover the amount of 12 months' subscription may make the payment of his subscription in cash. (G. R. No. 3163, dated 27th August 1881.)

12. In the case of a subscriber to the Fund who is on Foreign Service, and who, under Article 841 of the Civil Service Regulations, is required to pay to the British Government an additional contribution of one-fourth of the premium which he pays to the Fund, the additional contribution should be calculated upon the premium as it stands after any abatement to which he may be entitled under the rules of the Fund, and not upon the original tabular rate. (G. I., F. & C., No. 1773, dated 30th June 1883; *vide* G. R. No. 2693, dated 24th July 1883.)

13. A privileged rate of interest at 6 per cent. a year shall be granted on a reserve not exceeding one-tenth of the net liabilities of the Bombay Uncovenanted Service Family Pension Fund (excepting always the Life Assurance Branch), the excess carrying interest at the market rate. The rate of interest allowed under the designation of "market rate" shall, until further orders, be $3\frac{1}{2}$ per cent. per annum. (G. I., F. & C., Nos. 4096, dated 31st October 1883, and A.-5657, dated 28th December 1893; *vide* G. R. Nos. 4233, dated 29th November 1883, and 132, dated 11th January 1894.)

14. The Secretary of State has the right to alter the privileged rate of 6 per cent. interest and has asked the Government of India to examine carefully the yearly reports of the Fund in order to ascertain what effect the continuance of the privilege has upon it. The continuance of the privileged rate must not be held to guarantee the stability of the Fund, or to involve any responsibility for its proper management and maintenance. (S. of S. No. 12 Fin., dated 19th November 1896; *vide* G. R. No. 1150, dated 13th March 1897.)

15. The balances of the Life Assurance Branch of the Bombay Uncovenanted Service Family Pension Fund, which banks with Government at Savings Bank rates, will be held by Government at the rate of $3\frac{1}{2}$ per cent. per annum. (G. I., F. & C., No. A-534, dated 31st January 1894; *vide* G. R. No. 600, dated 13th February 1894.)